

**U.S. Department of Justice**

*United States Attorney  
Eastern District of Virginia*

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**NEWS RELEASE**

**For Immediate Release  
Alexandria, Virginia  
October 8, 2002**

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Nancy L. Colp, 56, of Stafford, Virginia, pleaded guilty today before the Honorable Gerald Bruce Lee, United States District Judge for the Eastern District of Virginia, to income tax evasion for the year 2000. Colp was formerly the business manager and controller of Brook Nursing Center ("BNC") in Stafford, Virginia. The defendant faces a maximum penalty of five years in prison, full restitution, and a fine of \$250,000 when she is sentenced on January 10, 2003.

Colp pleaded guilty to failing to report interest income she received from loans made to BNC, and to an associate at BNC. As part of the loan transaction, Colp would provide currency to the BNC associate from her personal account and deposit the currency into the account of a third person. At the direction of the BNC associate, Colp was repaid the principle and interest by BNC. Colp failed to report this interest on the tax returns she filed with the Internal Revenue Service.

Colp stated that the BNC associate directed her to pay the BNC associate's personal expenses out of the BNC account. Colp admitted that she signed the BNC associate's name to BNC checks for the payment of personal expenses. She also stated that she failed to pay over \$622,807 of employment taxes to the United States at the direction of the BNC associate.

For the years 1996 through 2000, Colp admitted that she filed false income tax returns and had unreported interest from BNC of \$11,040, for 1996; \$71,787 for 1997; \$91,315 for 1998;

\$105,977 for 1999; and \$100,739 for 2000. Colp further admitted that she owes additional taxes of \$102,489 on the unreported income.

The case was investigated by agents of the Internal Revenue Service, Criminal Investigation Division and prosecuted for the United States by Assistant United States Attorney Dana Boente. The investigation is continuing.